APPENDIX

The pertinent provisions of the Internal Revenue Code, as amended (26 U. S. C.), are:

> SEC. 3250. *Tax*—(a) *Wholesale dealers in liquors.*
>
> (1) *In general.*—Wholesale dealers in liquors shall pay a special tax of $110.
>
> * * * * *
>
> SEC. 3253. *Penalties and forfeitures for nonpayment of special tax.*
>
> Any person who shall carry on the business of a * * * wholesale liquor dealer, * * * and willfully fails to pay the special tax as required by law, shall, for every such offense, be fined not less than $100 nor more than $5,000 and be imprisoned for not less than thirty days nor more than two years. * * *
>
> SEC. 3254. (b) *Wholesale dealer in liquors.*
>
> Except as otherwise provided, every person who sells, or offers for sale, foreign or domestic distilled spirits, wines, or malt liquors in quantities of five wine-gallons or more to the same person at the same time, shall be regarded as a wholesale dealer in liquors: * * *

The Emergency Price Control Act of 1942, 56 Stat. 23, as amended, 50 U. S. C. App., Supp. IV, 901 *et seq.*, provides in pertinent part:

> SEC. 2. (a) Whenever in the judgment of the Price Administrator * * * the price or prices of a commodity or com-

modities have risen or threaten to rise to an extent or in a manner inconsistent with the purposes of this Act, he may by regulation or order establish such maximum price or maximum prices as in his judgment will be generally fair and equitable and will effectuate the purposes of this Act. * * *

SEC. 4. (a) It shall be unlawful * * * for any person to sell or deliver any commodity, * * * in violation of any regulation or order under section 2 * * *.

SEC. 205. * * * (b) Any person who willfully violates any provision of section 4 of this Act * * * shall, upon conviction thereof, be subject to a fine of not more than $5,000, or to imprisonment for not more than two years in the case of a violation of section 4 (c) and for not more than one year in all other cases, or to both such fine and imprisonment. * * *

Maximum Price Regulation No. 445, effective August 14, 1943 (8 F. R. 11161), provides in pertinent part as follows:

SEC. 5.3. *Determination of "net cost" used in figuring maximum prices for wholesalers, retailers and monopoly states.* * * *

(b) *Elements of net cost.* The net cost to be used by a wholesaler, retailer or monopoly state to determine a maximum price is the total of the following elements of cost actually paid by him with respect to a particular base purchase of the item to be priced:

(1) *Purchase price.* The supplier's selling price (not in excess of his maximum price under applicable regulations or orders of the Office of Price Administration.)

(i) Excepting any discount for prompt payment (cash discount); but

(ii) Including any amount subtracted from the supplier's maximum price to compensate for discontinuance of a discount for prompt payment.

(2) *Freight.* Transportation charges from the supplier's point of shipment to the wholesaler's, retailer's, or monopoly state's customary receiving point for the item, at the rate paid. No amount shall be included for

(i) Any transportation charges from point of shipment included in the supplier's selling price; or

(ii) Expense of hauling, drayage or handling within the metropolitan area of the shipping or receiving point: *Provided,* That a monopoly state may include such portion of that expense as it customarily included during March 1942 in determining cost for purposes of mark-up.

(3) *Taxes and United States customs duties*—(i) *For wholesalers and retailers.* United States customs duties and United States state and local excise taxes at rates in effect on November 2, 1942, if not included in the supplier's selling price.

SECTION 5.5. *Maximum prices for retailers.* * * *

(b) *Initial maximum prices*—(1) *For sales to consumers.* A retailer's initial maximum price per case to consumers shall be his net cost per case (figured according to section 5.3) for his latest base purchase of the item, or if he made no base purchase of the item since March 1942, his net cost per case (figured according to section 5.3) for his most recent purchase of the item

from any supplier, multiplied by the percentage mark-up for the item being priced as follows:

(i) 1.333 for distilled spirits.

(ii) 1.50 for wine.

(iii) 1.45 for cordials, liqueurs and specialties.

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U. S. GOVERNMENT PRINTING OFFICE: 1945